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C O N F I D E N T I A L SAN SALVADOR 001008

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [HO](#) [ES](#)
SUBJECT: RESTREPO ASSURES FUNES HIS SUCCESS MATTERS TO U.S.

Classified By: Charge d'Affaires, for reasons 1.4 (b) and (d)

¶1. (C) Summary: NSC Senior Director for Latin America Daniel Restrepo told President Funes October 23 his government's success was important to the White House and praised Funes' Honduras policy. Funes noted the challenge of deteriorating public security and said divisions in (conservative, opposition) ARENA could complicate his efforts to keep hard-line (left-wing) FMLN elements at bay. Funes welcomed news of a White House visit, though a date was still to be set. He welcomed the October 20 extradition to El Salvador of Julio Eduardo Villatoro Monteagudo and acknowledged that El Salvador owed the U.S. reciprocity on extraditions. Restrepo later told FM Martinez that Manuel Melgar as Minister of Public Security remained problematic. (Note: Melgar is implicated in the 1985 Zona Rosa killings that include the murder of four U.S. Embassy Security Guards.) Martinez said the GOES hoped to announce an Ambassador in connection with a Funes trip to Washington and expressed hope for movement on U.S. immigration reform. He expressed thanks for USG support, noting that Washington's actions and attitude helped the President resist hard-line FMLN elements.
End Summary.

¶2. (C) NSC Senior Director for Latin America Daniel Restrepo visited San Salvador October 23-25 to participate in the National Security Planning Workshop organized for the GOES by the Center for Hemispheric Defense Studies (CHDS). The Workshop brought together two dozen GOES officials, senior police and military officers, National Assembly representatives and others to jump start development of a national security strategy addressing the deteriorating public security situation in El Salvador.

Funes Pessimistic on Zelaya's Return

¶3. (C) Restrepo met October 23 with President Mauricio Funes, Foreign Minister Hugo Martinez and Private Secretary to the President, Francisco Caceres. He was accompanied by Charge and PolCouns (notetaker). Restrepo said Funes' success was important to the White House. Funes expressed appreciation for Secretary Clinton's attendance at his inauguration June 1 and commented on good U.S.-El Salvador coordination on Honduras. Restrepo said the USG appreciated the constructive role on Honduras played by Funes, Martinez and the GOES in complicated circumstances. Funes noted the GOES had recently distanced itself from the ALBA countries' statement on Nicaragua and expressed frustration at the "irresponsible" positions taken by the (left-wing) FMLN on Honduras. (Note: Funes was the FMLN's presidential candidate, though not a long-time party member.) He recalled his frustration when FMLN hardliners installed themselves in the VIP lounge at San Salvador's airport to greet ousted President Zelaya and other heads of state (July 6) before Funes could arrive while simultaneously organizing a raucous pro-Zelaya rally. Funes said Zelaya's return to power looks more difficult with each passing day. He said Micheletti was essentially the same as

Zelaya -- "impulsive." Funes said GOES outreach to regional business leaders had been helpful in pushing both sides to talk with the added benefit of improving Guatemala President Colom's relationship with that country's private sector.

Funes Addresses Security, Divided ARENA, FMLN meddling

14. (C) Funes noted that his personal approval ratings remained quite high (in the 80% range) but that some of his ministers, primarily in the security area, had taken a hit. He said the growing public security crisis in El Salvador would be difficult to resolve. The army, he said, was not adequately prepared to take a leading role in restoring public security and noted that a solution would involve good intelligence and prevention efforts. Funes said his predecessor Antonio "Tony" Saca left behind neglected tax and public security issues. Funes said his tax reform proposals were not aggressive and included plans merely to enforce existing tax law but were now facing opposition from some sectors. He noted former U.S. Ambassador Douglas Barclay had urged much more aggressive tax reform.

15. (C) Commenting on growing divisions in ARENA, with twelve of thirty-two deputies breaking ranks with the party, Funes said ARENA's problems were not beneficial to his administration. In the short term, he acknowledged this could make passing a budget easier if dissident ARENA deputies voted with the FMLN. However, Funes said in the long term he will need to build coalitions with the right in order to govern free of the influence of hard-line FMLN elements. Paralysis in the Assembly, he said, could make governing impossible.

16. (C) Funes thanked Restrepo for his participation in the National Security Workshop and noted that improved public security would require multiple efforts: better intelligence on criminal activity, investment in security forces, and crime prevention. He said proposals to return police and their families to barracks to insulate them from threats and blackmail would be a step backwards in El Salvador's efforts to build community-based policing. Restrepo noted the limits on any military's ability to perform police roles and said planning for what happens after the military becomes involved in public security will be critical to success. Funes said the Salvadoran Armed Forces would not perform police roles, only support roles and said strengthening Salvadoran public institutions was key to resolving the security problem.

17. (C) Funes called attention to a recent interview with FMLN leader Medardo Gonzalez where he said the FMLN had won the election but was not in government. Funes said the FMLN still had difficulty recognizing that they won in coalition with a citizen movement led by Funes. He also noted recent comments by Vice President Salvador Sanchez Ceren that the U.S. should "learn its lesson" from defeats in Vietnam, in El Salvador and elsewhere. Funes said responding to those comments was difficult and uncomfortable because they did not reflect his government's position, something both he and the Charge d'Affaires stated publicly.

White House Visit Timing

18. (C) Funes asked about timing for a White House visit. Restrepo said the President's Nobel Peace Prize and domestic issues like health reform had made scheduling more difficult, but that Funes should be the next Latin American leader to visit the Oval Office.

We Owe You One on Extradition

19. (C) Charge thanked FM Martinez for his cooperation in managing the extradition to El Salvador of Salvadoran con-man Julio Eduardo Villatoro Monteagudo October 20. Funes welcomed the return of Villatoro and said that El Salvador now "owed one" to the U.S. on extradition, referring to the extradition request for Jose Marvin Martinez now pending before the Salvadoran Supreme Court for almost two years.

FM on Exchange of Ambassadors; Melgar Still an Issue

¶10. (C) FM Martinez hosted Restrepo and PolCouns (notetaker) for dinner later October 23. Martinez queried about the status of a U.S. Ambassador in San Salvador. Restrepo noted that with A/S incumbent Shannon's Brazil nomination and A/S-designee Valenzuela's nomination both on hold in the Senate, other nominations in the region were also being held up. Martinez said the GOES hoped to announce a new Salvadoran Ambassador in connection with a Funes visit to Washington. He said CDA Francisco Altschul was still being considered for the position, but the FM and President Funes were looking at other options. Martinez said some career diplomats were under consideration, but President Funes felt strongly that any Ambassador in Washington must have his complete confidence.

¶11. (C) Restrepo told Martinez that when Funes visits the White House, if Minister of Public Security and Justice Manuel Melgar is still in place, USG mistrust of him will be one of POTUS' talking points. Martinez acknowledged that the Melgar issue remained open and thanked Restrepo for the heads up. (Note: Melgar has been implicated in the 1985 Zona Rosa killings that included the murder of four U.S. Embassy Marine Security Guards.)

¶12. (C) Martinez said that recent proposals by ALBA countries for an OAS General Assembly session on Honduras would be counterproductive. He said the GOES wanted a solution, even if only symbolic, before November elections in Honduras in order to use those elections as a way out of the crisis. He said the role of Zelaya's FM Rodas was consistently unhelpful and agreed with Restrepo's assessment that both sides had exhibited no strategic thinking throughout the crisis, merely lurching from one tactical move to another.

U.S. Immigration Reform; Future Cooperation

¶13. (C) Martinez asked about prospects for immigration reform. Restrepo said he expected a proposal to be introduced in Congress as early as November but substantive action would wait until 2010 after health care reform was completed. He said success would depend on members of congress being able to tell constituents they had taken a number of concrete steps to address economic insecurity at home and health care reform would top that list.

¶14. (C) Martinez echoed Funes' appreciation for continuing close communication between the USG and GOES. He noted that despite the fact that taking office as the global financial crisis hit El Salvador had been difficult, overall the timing of Funes' presidency had been good because of the new attitude in the White House. Martinez said close ties with the USG and public expressions of support for Funes had served to strengthen the President and allowed him to push back against hard-line elements in the FMLN. The U.S. Embassy's and larger USG actions and attitude, he said, strengthen Funes.

¶15. (C) Comment: Restrepo's visit provided high-level reinforcement of what Funes needs to hear: That USG backing of his government is solid and in for the long haul. The first five months have demonstrated to Funes that USG support is substantial, dependable, and necessary.

¶16. (SBU) This cable has been cleared by NSC - D. Restrepo.
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